



## **The Business Case for Green Tier**

### **Realizing Business Value in Regulatory Innovation**

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In the past, Wisconsin companies have had little incentive to improve their environmental performance beyond minimum legal requirements. The Green Tier program, through a system of legally binding charters and contracts, shifts the focus away from regulatory minimums and forges a link between superior environmental performance and economic gain.

Green Tier encourages companies to think creatively about ways they can improve environmental performance while boosting productivity, cutting costs and growing their business. Designed to recognize and reward outstanding environmental performance, Green Tier offers responsible companies the chance to modify their existing environmental programs in a manner that makes good business and environmental sense.

Green Tier builds on the experience of innovative regulatory programs and supports all companies that want to pursue enhanced environmental performance - whether they're large or small. The law accommodates both.

#### **Are There Economic Benefits?**

Green Tier provisions allow participating companies and the Department of Natural Resources (DNR) to tailor innovative, cooperative programs specific to the companies' particular operations and needs. The second level of Green Tier, available to top environmental performers, provides companies and the DNR the ability to negotiate unique contracts that can offer measurable economic benefits to the company and related community.

Permit and Decision Streamlining – Green Tier has the potential to reduce the turn-around time on permits and other DNR decisions, reducing internal environmental staff effort, legal counsel and consultant costs.

Permit Exemptions – Green Tier can allow permit exemptions in certain circumstances. Under a Green Tier-related pilot program, the DNR was able to exempt one major facility from construction permit requirements, provided certain air emissions were not exceeded. This exemption was broader than exemptions allowable under traditional regulations.

Testing and Installation of New Technologies – Green Tier enables permit exemptions and easier approval for the testing and installation of new technologies, especially for those that conserve energy or reduce emissions.

Forward Thinking – The program encourages businesses to look at ways they can improve environmental performance while generating economic gain. This forward-thinking could include meshing business practices related to accelerated depreciation of capital equipment, managing supply chains,

anticipating international demands, and getting necessary regulatory approval to secure required capital.

More Efficient Monitoring, Recordkeeping and Reporting – Facilities with strong compliance records and well-managed environmental programs can negotiate with the DNR more practical and effective monitoring and reporting procedures. Under a Green Tier-related pilot program, one facility was able to reduce its monitoring and recordkeeping efforts by about 20 hours per week. Another pilot-program facility reduced their annual monitoring reports from approximately 230 pages per year to five.

Innovative Technical Solutions – Green Tier encourages companies to develop innovative environmental and production solutions that have long-term economic and environmental benefits. Under a Green-Tier related pilot program, one company developed an imaginative proposal to re-burn coal ash normally sent to landfills. This practice dramatically reduced the ash being sent to landfills, provided a new energy source, saved over 300 railroad cars of coal, and helped reduce overall costs. These savings were achieved in less than two years.

The actual business value offered by Green Tier, measured in simple economic terms, will vary according to each business and their imagination. Wisconsin's businesses have the capacity to make Green Tier a huge success.

#### **What Is the Intangible Value?**

Companies participating in Green Tier have the potential to generate a wide range of measurable economic and environmental returns. They may also realize intangible benefits.

Regulatory Recognition – The DNR will publicly recognize participants in the Green Tier program.

Improved Agency Relations – Green Tier participation can improve communication between companies and the DNR and provide a greater appreciation of mutual goals.

Branding – Superior environmental performance achieved through Green Tier can be used to help support a company's brand equity.

Employee Pride – Facilities that participate in innovative regulatory programs like Green Tier often see an increased level of employee pride. Typically, employees in participating companies develop a sense of ownership in environmental activities and the business in general.